

Directive No. 35

**AUTOMOBILE CLUBS—"ACCUMULATION" AND/OR
"CREDIT" FOR PRIOR MEMBERSHIP IN OTHER
AUTOMOBILE ASSOCIATIONS**

September 7, 1976

During the past few months this office has been made aware of abuses on the part of life insurance companies and automobile clubs in permitting "accumulations" and/or "credit" for prior membership in other automobile clubs. At a recent hearing I made the determination that the offering constitutes unfair discrimination in favor of particular individuals or by the insureds or subjects of insurers having substantially like insuring risks.

Effective this date, all life insurance companies are hereby ordered to cease and desist from accepting applications from new members of automobile clubs and allowing "accumulations" to those members where they were not previously insured by the particular life insurance company accepting the same.

All automobile clubs transacting business in Louisiana are hereby ordered to cease and desist from the offering of "accumulations" and/or "credit" acquired through members in other automobile clubs to new members being solicited for membership therein.

Each life insurance company and automobile club transacting business in this state shall immediately notify its agents, advising me when this has been done.

Sherman A. Bernard
COMMISSIONER OF INSURANCE